

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 112320
ORIGIN EUR-12

INFO OCT-01 ISO-00 /013 R

66011
DRAFTED BY:EDWARD A. CASEY
APPROVED BY:EDWARD A. CASEY
-----004688 030655Z /13
R 030122Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS

LIMITED OFFICIAL USE STATE 112320

USEC

FOLLOWING REPEAT LONDON 6815 ACTION SECSTATE INFO GENEVA
DATED APRIL 28, 1978.

QUOTE: LIMITED OFFICIAL USE LONDON 06815

USMTN

PASS STR/AMB WOLFE

PASS AGRICULTURE ELECTONICALLY FOR ASST SEC HATHAWAY

E.O. 11652: N/A
SUBJECT: LONDON WHEAT MEETING PREPARATORY TO UNCTAD
INTERIM COMMITTEE

1. SUMMARY: US DELEGATION HEADED BY SAYLOR MET BRIEFLY
WITH OTHER EXPORTERS THURSDAY A.M., WITH GANG OF SIX
(EXPORTERS PLUS JAPAN PLUS EC) ON THURSDAY AFTERNOON,
WITH EC (PIZZUTTI) THURSDAY EVENING, EXPORTERS FRIDAY
MORNING AND SIX AGAIN TWICE ON FRIDAY. MAIN LINES OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 112320

DISCUSSION WERE TO REPORT UPON AND FURTHER CLARIFY THE
US-EC UNDERSTANDINGS REACHED ON WHEAT AND COARSE GRAINS
IN WASHINGTON DURING HIGH LEVEL MEETINGS APRIL 19/20.
SEVERAL PIECES OF PAPER WERE CONSIDERED FOR POSSIBLE
USE ON MONDAY, MAY 1, IN GENEVA FOR PURPOSES OF
REPORTING SIX'S PROGRESS TO UNCTAD INTERIM COMMITTEE.
HOWEVER, US AND EC WERE UNABLE TO AGREE ON CERTAIN ASPECT

WHEAT POSITION, THOUGH VERY SKETCHY, WAS MORE OR LESS AGREED, BUT COARSE GRAIN POSITION WAS UNRESOLVED AND EC REFUSES TO LET WHEAT MOVE AHEAD OF COARSE GRAINS. TEXTS PROVIDED BELOW. END SUMMARY.

2. DURING INITIAL MEETING OF SIX THURS P.M., FOLLOWING GENERALIZED US AND EC DESCRIPTION OF RECENT BI-LATERAL PROGRESS, CHAIRMAN DUNKEL REQUESTED THE TWO TO TRY TO PROVIDE WRITTEN REPRESENTATION OF UNDERSTANDING FOR NEXT DAY'S MEETING. DURING SUBSEQUENT US-EC MEETING HELD FOR THIS PURPOSE, SCHEMATIC PRESENTATION FOR WHEAT AGREEMENT WAS DEVELOPED AS FOLLOWS:

WHEAT AGREEMENT (SCHEMATIC PRESENTATION)

NOTIONAL UPPER PRICE

3RD RISING TRIGGER POINT ... CONSULTATIONS -

EXTREME PRICE SITUATION CONSULTATIONS ON FURTHER ACTION; MAINTENANCE OF DELIVERIES; NO EXPORT CONTROLS OR TAXES.

2ND RISING TRIGGER POINT ... ADDITIONAL MEASURES -

REMOVE PRODUCTION RESTRAINTS; DISCOURAGE UTILIZATION.

1ST RISING TRIGGER POINT ... STOCKS RELEASE - COULD BE STAGED OR PHASED.

1ST FALLING TRIGGER POINT ... STOCK ACCUMULATION

COULD BE STAGED OR PHASED

2ND FALLING TRIGGER POINT ... ADDITIONAL MEASURES -

DISCOURAGE PRODUCTION; ENCOURAGE UTILIZATION

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 112320

3RD FALLING TRIGGER POINT ... CONSULTATIONS - EXTREME PRICE SITUATION; CONSULTATIONS ON FURTHER ACTION; SALES PRACTICES.

NOTIONAL LOWER PRICE

(FOREGOING WAS DISTRIBUTED FRI P.M. TO SIX, BUT NOT

DISCUSSED.) AS FOR MEANING OF OPTIONAL PRICES AND A

POSSIBLE TEXT APPROACH TO ARTICLE 3, NOTHING EMERGED,

ALTHOUGH BRIEF EXCHANGE ON THIS POINT INDICATED CON-

SIDERABLE DIFFERENCE; E.G., EC WANTED NOTIONAL PRICE

DEFINED IN TERMS OF SEVERAL DIFFERENT

WHEATS, AND AT ONE STAGE SUGGESTED DIFFERENTIALS FOR

DIFFERENT TYPES. MEETING BECAME CENTERED ON COARSE

GRAINS, SINCE EC INSISTED THAT NOTHING ON WHEAT COULD GO

FORWARD WITHOUT SOMETHING PARALLEL ON COARSE GAINS,

EVEN THOUGH WE POINTED OUT THIS CONTRARY TO OUR UNDER-

STANDING OF OUTCOME OF WASHINGTON MEETING.

3. ON COARSE GRAINS, NOTHING WRITTEN EMERGED FROM US-EC MEETING. US INSISTED ON OPTIONS BEING PRESENTED AS FOUR (IN LINE WITH PREVIOUS WEEK DISCUSSION) AS FOLLOWS:

(A) NO COARSE GRAIN AGREEMENT

(B) CONSULTATION (ARGENTINE) TYPE, WITHOUT INDICATOR
SCALE

(C) CONSULTATION PLUS INDICATOR SCALE, INCLUDING

"MENU" OF ACTIONS TO BE CONSIDERED, AND

(D) SAME AS (C) PLUS CERTAIN MANDATORY COMMITMENTS
INVOLVING UTILIZATION AND STOCKS.

EC, MEANWHILE INSISTED ON USING EITHER (C) OR (D) OR

BOTH AS MEANS OF REPRESENTING US-EC UNDERSTANDING.

FINALLY, ON FRIDAY, AFTER CONSULTING INFORMALLY WITH US

AND EC REPRESENTATIVES, CHAIRMAN AND PAROTTE DEVELOPED

AND CIRCULATED FOLLOWING PAPER AT FINAL MEETING:

PAGE ONE

ALTERNATIVE OPITONS FOR COARSE GRAINS

PAGE TWO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 112320

OPTION: "MENU OF MEASURES"

NOTIONAL UPPER PRICE

SECOND RISING POINT (BASKET PRICE) - CONSULTATIONS ON
MEASURES WHICH COUNTRIES COULD CONSIDER FOR DEALING
WITH THE SITUATION.

FIRST RISING POINT (BASKET PRICE) - REVIEW OF CURRENT
AND PROSPECTIVE MARKET CONDITIONS (CONSULTATIONS).

FIRST FALLING POINT (BASKET PRICE) - REVIEW OF
CURRENT AND PROSPECTIVE MARKET CONDITIONS (CONSULTA-
TIONS).

SECOND FALLING POINT (BASKET PRICE) - CONSULTATIONS ON
MEASURES WHICH COUNTRIES COULD CONSIDER FOR DEALING
WITH THE SITUATION.

NOTIONAL LOWER PRICE

PAGE THREE

OPTION: "MANDATORY MEASURES"

NOTIONAL UPPER PRICE

SECOND RISING POINT (BASKET PRICE) - IMPLEMENTATION OF
SPECIFIED MEASURES RELATING TO INTERNAL POLICIES AS
THESE AFFECT PRODUCTION, CONSUMPTION AND TRADE (STOCK
RELEASE, EXPANSION OF PRODUCTION, DECREASE IN UTILI-
ZATION).

FIRST RISING POINT (BASKET PRICE) - REVIEW OF CURRENT
AND PROSPECTIVE MARKET CONDITIONS (CONSULTATIONS).

FIRST FALLING POINT (BASKET PRICE) - REVIEW OF CURRENT
AND PROSPECTIVE MARKET CONDITIONS (CONSULTATIONS).

SECOND FALLING POINT (BASKET PRICE) - IMPLEMENTATION
OF SPECIFIED MEASURES RELATING TO INTERNAL POLICIES AS
THESE AFFECT PRODUCTION, CONSUMPTION AND TRADE (STOCK ACC
ACCUMULATION, REDUCTION IN PRODUCTION, INCREASE IN
UTILIZATION).

NOTIONAL LOWER PRICE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 112320

4. ENTIRE DISCUSSION IN FINAL SESSION CONCERNED RELATIONSHIP OF THIS NEW COARSE GRAINS PAPER TO OTHER POSSIBLE OPTIONS, INCLUDING THE PAPERS ALREADY PRESENTED BY ARGENTINE AND EC DURING GENEVA CONFERENCE. US INSISTED THAT THIS NEW PAPER WHEN FLOATED WITH THE INTERIM COMMITTEE WOULD MISREPRESENT THE CURRENT SITUATION BY APPEARING TO LEAVE BEHIND THE OTHER TWO POSSIBILITIES AGREED IN WASHINGTON. US INSISTED THAT AT LEAST THE ARGENTINE-TYPE OPTION BE REPRESENTED AS CO-EQUAL, AND OFFERED AN ABBREVIATED FORM OF SUCH OPTION, AS FOLLOWS:

CONSULTATIONS AND INFORMATION SHARING
PARTICIPATING COUNTRIES WOULD MEET PERIODICALLY OR AT THE CALL OF ANY PARTICIPANT TO SHARE INFORMATION ON PRODUCTION, UTILIZATION, STOCKS AND TRADE AND TO REVIEW THE GENERAL MARKET SITUATION INCLUDING FACTORS RELATING TO THE STABILITY OF MARKETS.

EC OBJECTED, AND AFTER LENGTHY EFFORT BY VARIOUS PARTICIPANTS TO FIND ACCEPTABLE SOLUTION, DUNKEL ADJOURNED THE MEETING WITH REQUEST THAT US AND EC TRY FURTHER BY NEXT MONDAY'S INTERIM COMMITTEE MEETING TO GIVE HIM SOMETHING IN WRITING TO SHOW PROGRESS. US DEL PROCEEDING TO ARRANGE MON A.M. US-EC MEETING IN GENEVA IN FURTHER ATTEMPT TO SOLVE FORMAT PROBLEM.

5. DURING US-EC MEETING THURS P.M., AS US WAS HOLDING OUT FOR A LISTING OF COARSE GRAIN OPTIONS WHICH WOULD INCLUDE A WHEAT-ONLY OPTION, PIZZUTTI AT ONE POINT POSED THE SUPPOSITION THAT THERE WOULD BE NO COARSE GRAIN AGREEMENT, AND ASKED, "THEN WHAT WOULD HAPPEN TO YOUR PROPOSALS FOR UTILIZATION (READ ACCESS) COMMITMENTS?" THE IMPLICATION APPEARED TO BE THAT EC DEMAND FOR COARSE GRAIN AGREEMENT MIGHT DISAPPEAR IF THE US WOULD DROP ITS EFFORT TOWARD ACCESS.

BREWSTER UNQUOTE VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WHEAT, MEETING DELEGATIONS, EXPORTERS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE112320
Document Source: CORE
Document Unique ID: 00
Drafter: EDWARD A. CASEY
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780188-0244
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780597/aaaadeoo.tel
Line Count: 208
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9e2a23a5-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2802782
Secure: OPEN
Status: NATIVE
Subject: LONDON WHEAT MEETING PREPARATORY TO UNCTAD INTERIM COMMITTEE
TAGS: ETRD, US, UK
To: BRUSSELS USMTN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/9e2a23a5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014